FOR MYSORE STATE

~~[illegible]~~ Devel. & Municl (1952) Department

Pl. SERIES

G.O. No. 5019 ~~[illegible]~~

Dated 1-11-52

[Despatch Abstract.]

Industries - Power alcohol establishment of distilleries in Madras State - control over molasses - Conference on 12 8 52

Papers Recorded

NOTE FILE

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The case deals with the question of establishment of power alcohol distrilleries in the State. In 1949 the Government of India gave permission for setting up four power alcohol units by the following concerns:--

	Annual capacity:
1. The K.C.P.Limited, Vuyyuru.	400,000 Gallons.
2. The East India Distilleries and Sugar Factories Ltd. (Parry and Co., Ltd.) Nellikuppam.	400,000 "
3. The India Sugars and Refineries Ltd., Hospet.	250,000 "
4. The Vizag Commercial Corporation, Visakhapatnam.	400,000 "

The K.C.P.Ltd., has since decided not to undertake power alcohol manufacture and has proposed that the permit may be transferred ~~xx~~ to its associate the Cauvery Sugars and Chemicals Ltd., Namakkal. The Indian Power Alcohol Act has been placed on the ~~Statutes~~-Book and it is the intention of the Government of India to extend the Act to Madras State as soon as arrangements are complete for the production and mixing of power alcohol.

Although it is now three years, none of the~~said~~ allottees has taken effective steps for the establishment of the project. The main difficulty in ~~th~~ the way of progress seems to be the guarantee of a minimum economic price to the producers. While the Govt. of India have stated that they cannot pay more than 14 annas per gallon which is the price paid to power alcohol distilleries in U.P. the allottees have maintained that the price will not even cover cost of production. One of the allottees, the Vizag Commercial Corporation, which has no sugar factory of its own, said that the price of molasses in the free market was prohibitive but that it would go ahead with the project if Government undertook to arrange for the supply of molasses at the controlled price of annas 3½ per maund which was the price fixed in U.P. The Govt. of India also recommended the imposition of control over molasses similar to that in U.P. and suggested that the whole question might be reviewed at a conference of representatives of the power alcohol allottees and the Central and State Governments.

A conference was accordingly convened in the Secretariat on 12th August last. The minutes of the meeting on pp. 143-145 c.f. may be perused. The following conclusions were reached:

(1) The policy of all factories will be progressively to use molasses for industrial purposes;

(2) As long as Government are satisfied that factories are in earnest about this, they will not impose control on the price of molasses in order to make it available to other parties for production of power alcohol;

(3)The sale of molasses should be, as agreed to, limited to quantities of 100 tons and above, subject to registers being maintained.

(4) The State Government should inform the Government of India not to allow exports of molasses without consultation with the State Government.

Regarding the third point the Board of Revenue has issued necessary instructions to the Sugar factories.

It is apparent from the State of the representatives of the power alcohol allottees that they are finding more remunerative uses for molasses and are therefore not interested in power alchol manufacture for the present.

No further action is due in the file except to apprise the Government of India of the position A draft letter is submitted for approval.

The proceedings of the Lower Alcohol conference on pp. 143-145 c.f. and the note from p. 14 above may be read. Draft letter is submitted for approval.

Sd/- P.Ambikanathan.
30-9-52

S.Aruldoss,
3-10-52

Sd/-J.M.Lobo Prabhu
Secy.

M. (I&L) U.Krishna Rao.

Could Direcotor of Industries and ~~Supp~~ Commerce or someone who knows about this see me and explain to me the technical aspect of this question.

'A'

U.KrishnaRao,
6-10-52.

A above: A draft ~~[illegible]~~ D.O. to the D.I&.C. is submitted for approval.

B.J.
5-10.

(Issued as D.O.No.131607 P&D II/50-37, dated 9-10-52.)

The case may now be submitted to M.(I&L).

Sd/- B.Joogappa
11-10

U.Krishna Rao
13-10-52.

I am going on Tour today and will come back on 23rd. If there is urgent letter to Govt. of India may issue and DI&C may see me later and explain.

U.Krishna Rao.
13-10-52.

Seen the D. I & C and spoken to him.
The file is returned.

U.Krishna Rao.
15-11-52

The draft letter may issue.

J.M. Lobo Prabhu
17-11.

(Issued as Lr.No.131607 P&D II/50-38, dated 17-11-52)

No further action is ~~due~~ in this file. The papers may be recorded.

G.O.Ms.No.5019, d/ 1-11-52.

Industries - Power alcohol Establishment of distilleries in Madras State - Control over molasses - Conference held on 12th August 1952 - Paper recorded.

(True Copy)

Superintendent.

RB: 3-9.
K Shanker
K.V. Ambujalakshmi